209. Likewise, in June, July and August, Nevada Bell satistied the 20-minute benchmark by returning FOCs on 26. 20 and 23 electronically received, electronically handled UNE xDSL capable loops in 1.2minutes, 5.4 minutes and 1.2minutes, respectively.[368] These performance metric results, which reflect actual experience in a commercial setting, demonstrate that Nevada Bell returns FOCs in a timely and consistent basis in the quantities that competitors are currently demanding.[369] Accordingly, the Commission believes the FCC should find that Nevada Bell returns FOCs in a way that allows a competing carrier a meaningful opportunity to compete.

210. An examination of Pacific Bell's performance results provides further evidence that Nevada Bell satisfies this aspect of Checklist Item 2. Pacific Bell has consistently responded io more orders by returning FOCs promptly for various types of products.[370] These data demonstratc that Nevada Bell's Regional OSS can retuni FOCs in a timely manner in response lo the current and rcasonably forcseeablc volume of CLEC requests.

211. Nevada Bell performance results with respect to electronically received, manually handled FOCs demonstratc that the Company promptly returns FOCs even where CLEC orders fall out and require human intervention. Nevada Bell returned one hundred percent of elecironically received, manually handled FOCs within the applicable benchmark intervals between June and August, 2001.[371] In June, July and August, 2001, for instance. Nevada Bell returned a FOC on 59, 35 and 67 requests for xDSL capable loops in an average of 2.81, 2.33 and 2.98 hours, well within the newly established 6-hour benchmark.[372] During that same period, Nevada Bell returned a FOC on 28. 25 and 10 electronically received, manually handled UNE basic loop requests in 1.76, I .95 and I .56 hours, well under the 6-hour benchmark that the

---

[368] See Exhibit 144. Johnson Supplemental Rebuttal ai 18; GSJ Attachment K (PM 2, Sub-measures 201300 and 201301).

[369] See. e g , SBC Texas Order ¶ 171 (concluding that SBC "is providing timely order confirmation to competing carriers in Texas" where SBC consistently met benchmark established by Texas Commission).

[370] See Exhibit 144, Johnson Supplemental Rebuttal at 18 n 37 Between June and August 2001. Pacific Bell met every PM 2 submeasure for resale residential POTS. resale business POTS, UNE basic loops, UNE 2-wire digital ISDN capable loops. UNE 4-wire digital 1.544 mbps capable loops. and UNE-P products. Id.

[371] See Exhibit 144, Johnson Supplemental Rebuttal at 19.

[372] See Exhibit 144, Johnson Supplemental Rebuttal at 19; Exhibit 144, Johnson Supplemental Rebuttal, GSJ Attachment K. PM 2. Submeasures 203900 and 213900.

Commission established in the PM collaborative proceedings."' Between June and August, 2001, Pacific Bell's performance was also perfect."'

212. Finally, Nevada Bell's (and Pacific Bell's) performance measurement results for manually-received, manually-handled FOCs are outstanding. During the three-month period between June and August 2001, Nevada Bell (and Pacific Bell) did not report a single miss.[375] The number of manually received LSRs by CLECs has decreased as they migrate to electronic ordering systems. but Nevada Bell's results for the two primary products that CLECs order manually -- resale residential POTS and resale Centrex – meet the applicable standard. Turning first to resale residential POTs order, "Between January and July, 2001, Nevada Bell returned a FOC on more than 3,000 resale residential POTS requests in an average of approximately 1.50 hours."[376] In August. Nevada Bell returned a FOC on 571 resale residential POTS requests in an average of 1.25 hours.[377]

213. Nevada Bell's perfomiance with respect to resale Centrex LSRs also meets the applicable standard. Between January and July, 2001, Nevada Bell returned a FOC on more than 1,330 resale Centrex requests in an average of 1.74 hours."' In August alone Nevada Bell returned a FOC on 241 resale Centrex requests in an average of 1.84 hours.[379] These results demonstrate that Nevada Bell returns FOCs on current and forcsecable quantities of manually received orders in a rcasonahly prompt time."[380] Pacific Bell's performance results once again confirm that Nevada Bell affords CLECs access to the Regional OSS in a manner that allows an efficient CLEC a meaningful opportunity to compete.

---

373 See Exhibit 144, Johnson Supplemental Rebuttal; see also Exhibit 144, Johnson Supplemental Rebuttal, GSJ Attachment K. PM 2. Submeasures *203601* and 213601

374 See Exhibit 144, Johnson Supplemental Rebuttal at 19.

375 See Exhibit 144, Jolinson Supplemental Rebuttal at 20.

376 See id.

377 Id.; See Exhibit 144. Johnson Supplemental Rebuttal. GSJ Attachment K. PM 2, Submeasures 205300 & 205301

378 See Exhibit 144, Jolinson Supplemental Rebuttal ai 20.

379 See id.: Exhibit 144, Johnson Supplemental Rebuttal, GSJ Attachment K, PM 2. Sub-measure 205600.

380 See, e g., SBC Texas Order ¶ 172.

ii. Issues raised by Staff, BCP. or Competitive Providers

214. In Phase I, BCP did not reach a conclusion with respect to Nevada Bell's ordering systems. Instead the BCP indicated that a conclusion required a review of performance measurements and the results of thc California test results. This analysis would "be completed in Phase 2."[381] BCP did not file testimony in Phase II-B. The Staff likewise did not make a recommendation about the adequacy of Nevada Bell's ordering systems in Phase I of this proceeding. Unlike BCP, the Staff did file testimony in Phase 11-B of the proceeding. Here again. however, the Staff did not provide a recommendation on the nondiscriminatory aspect, functionality or commercial readiness of Nevada Bell's ordering systems.[382] Rather. the Staff maintained that it could not reach a conclusion about Nevada Bell's OSS because it was not a party to the California OSS Test.[383] The results of that test are now clear: the Regional OSS passed the rigorous third party test administered by the CPUC and, as a practical matter, the Regional OSS is operationally ready to meet current and reasonably foreseeable demand.[3K1]

215. Two competitive providers expressed concerns about Nevada Bell's ability to return FOCs in a timely manner. One carrier, **ATG,** withdrew its testimony on this point and withdrew from thc proceeding.[385] The other carrier, WorldCom, claimed that it had experienced "problems" in tlic return of FOCs that were handled on a fully electronic basis.[386] Without specifying the submeasure, Mr. Vivien and Ms. Oliver for WorldCom simply stated, "In this case

---

381 See Exhibit 19, Friduss/Hempfling Direct at 32

382 See Exhibit 153. Otsuka Phase 11-13 Direct at 2

383 See at 2.

384 *California Order* at 38 – 109

385 Transcript of Proceeding, Vol. 20 at 1813-14 (Oct. 22, 2001) (CHAIRMAN SODERBERG: The Commission has received a letter signed by Kate Marshall on behalf of ATG stating that its participation in this docket will be terminated. aiid withdrawing their prefiled testimony. Miss Marshall. is that still the appearance status of your client's panicipation? MS. MARSHALL: Yes. it is, sir."). Nevada Bell filed the prepared testimony of several witnesses responding to the Phase II-B issues raised hy ATG. See, e.g., Exhibit 143, Rebuttal Testimony of Gwen S. Johnson – Proprietary Version ("Johnson Rebuttal Testimony - Proprietary").

386 See Exhibit 146. Joint Direct Testimony of Stephen Vivien and Rebecca Oliver on Behalf of WorldCom, Inc. at 10 ("Vivien/Oliver Direct").

the system response time exceeded the prescribed standard."[387] This claim was based upon a single performance failure.[388]

216. As Ms. Johnson explained to the Commission, the single performance miss (on one specific submeasure) identified by WorldCom docs not warrant a recommendation of inoncompliance. WorldCom's focus on a single result iynorcs the larger picturc that informs any judgment about checklist compliance or non-compliance."" Failure to meet any one measurement or sub-nieasurenient usually will nor result in a finding of checklist noncompliance.[390] A single pcrformancc miss must either be dramatic or accompanied by evidence of significant competitive injury to support a finding of noncompliance.""

217. That is not the casc here."" Moreover, with respect to every other product, Nevada Bell returned a FOC to WorldCom within the benchmark established by the Commission.[393] In addition, WorldCom did not consider Nevada Bell's performance with respect to other service types and other months. "With only one exception for LNP orders in March. on an aggregate basis. Nevada Bell returned FOCs to CLECs that were handled on a fully electronic basis under the 20-minute benchmark each inonth between January and June, 2001."[394] WorldCom, finally, did not establish that this single, minor miss resulted in competitive harm.

218. In light of these other facts, the evidence of a single performance failure presented by WorldCom does not justify a finding of noncompliance.[395] Stated succinctly, the weight of the evidence (Nevada Bell's testimony, Nevada Bell's performance data, Pacific Bell's performance data, the California OSS Test, and the California Order) points in one direction –

---

is- Id. at 10 lines 12-13

388 Id.

389 See SBC Kansas/Oklahoma Order ¶ 136

390 Id.

391 Set. id.

"T See Exhibit 143. Johnson Rebuttal Testimony-Proprietary ai 7 and See,, SBC Texas Order ¶ I12 n. 464 (concluding that SBC provided FOCs on UNE Loops in a satisfactory manner even though SBC returned only 85.8 percent of FOCs within 5 hours. missing the 95 percent within 5 hours benchmark).

393 Exhibit 143. Johnson Rebuttal Testimony-Proprietary at 7

394 See Exhibit 142, Johnson Rebuttal-Public at 7

395 See SBC Kansas/Oklahoma Order ¶ 136.

recommending *to* the FCC that Nevada Bell meets this aspect of the competitive checklist.

(B) Reject notice

1. Nevada Bell returns reject notices to CLECs in a way that allows an efficient carrier a meaningful opportunity to compete

219. Nevada Bell's mechanized and manual systems also return reject notices to CLECs expeditiously. PM 3 (Average Reject Notice Interval) tracks how quickly Nevada Bell provides to CLECs a "reject" notice indicating that the CLEC's service request cannot be processed due to errors on the request. Similar to PM 2, the numerous PM 3 sub-measures (which are disaggregated by product type, as well as the type of rejection) fall into the following three general categories: (i) electronically received, electronically returned rejection notices, (ii) electronically received. manually returned rejection notices, and (iii) manually received, manually returned reject notices."[396] Nevada Bell has consistently complied with the benchmark standards adopted by the Commission, routinely returning timely and accurate reject notices to CLECs so that they can submit corrected LSRs.[397]

220. Performance does not suffer, moreover, when an LSR falls out of the mechanized process and a Nevada Bell employee must manually return the reject notice. Between January and July, 2001, Nevada Bell returned 849 electronically received, manually handled reject notices for facilities-based orders in an average of 1.6hours. well below the 4-hour benchmark.[398] In August, Nevada Bell returned 93 reject notices on such orders in an average of 1.67 hours, once again meeting the 4-hour benchmark."[399] This evidence demonstrates that Nevada Bell's Regional OSS provides reject notices in a timely and consistent manner under actual commercial conditions.

721. Pacific Bell's performance buttresses that conclusion. With much larger volumes, Pacific Bell's performance was nearly perfect during that same time period. Pacific Bell had

---

[396] See generally Exhibit 144, Johnson Supplemental Rebuttal, at 17-20.

[397] *See* id. at 20-21 (stating that Nevada Bell did not miss a single PM 3 submeasure between June and August 2001)

[398] Exhibit 144, Johnson Supplemental Rebuttal at 21-22.

[399] Id. at 22: Exhibit 144, Johnson Supplemental Rebuttal, GSJ Attachment K, PM 3, Submeasure 300700.

only two misses for one sub-measure.[400] Between June and August, 2001, Pacific Bell satisfied the benchmarks established by the California Commission each month, with much larger volumes (ranging from 4,400 to 5.000 for facilities-based rejects and 1,200 to 1,500 for resale rejects).[401]

222. Finally, Nevada Bell's manual OSS is a viable alternative for CLECs who choose to use them. Nevada Bell perfomiancc results. which reflect actual commercial usage of Nevada Bell's manual OSS, show that the Company returns reject notices in a timely fashion to CLECs who submit LSRs manually.[402] Between January and July 2001, Nevada Bell returned 2,030 manually received, manually handled reject notices in an average of 1.64 hours, below the 6-hour bcnchniark for this measure.[403] Over the three-nionth period between June and August of 2001, Nevada Bell rctumed reject notices within the 6-hour benchmark every month.[404] In August. Nevada Bell returned 351 reject notices in an average of 1.64 hours. Again, this perfomiance is well below the 6-hour benchmark. These performance results demonstrate that Nevada Bell's Regional ordering systems comply with this aspect of the competitive checklist.[405]

H. — Issues raised by Staff, BCP, or Competitive Providers

223. Neither the Staff nor BCP made a reconimendation about Nevada Bell's ordering systems. No competitive prov ider questioned whether Nevada Bell consistently returned reject notices in a timely manner. Again, the evidence supports a recommendation that Nevada Bell's OSS satisfies this component of the competitive checklist.

//

//

---

400 Against a benchmark of .33 hours (20 minutes). Pacific Bell's performance was .39 hours in June and .40 hours in August, a difference of less than 4 minutes. These disparities are minor ones.

401 Id.

402 Exhibit 144, Johnson Supplemental Rebuttal at 22

403 Id.

404 See Exhibit 1-14. Johnson Supplemental Reburial at 22: see Exhibit 144, Johnson Supplemental Rebuttal, GSJ Attachment K. PM 3. Submeasures 301300. 302600 & 310200.

405 Pacific Bell s performance results buttress that conclusion Pacific Bell provided perfecr performance to California CLECs each month between June and August 2001 See Exhibit 144, Johnson Supplemental Reburial at 22

(C) Service Order Completion ("SOC") notices

SOC notices inform a competitive provider that Nevada Bell has completed an order for an UNE or a resale service.[406] Receiving timely information about the status of an order, including SOC notices, is important to "a competing carrier's ability to monitor orders . . . both for its own records and in order to provide information to end user customers."[407] Once Nevada Bell physically coinpletes the work for a service order, that order is completed in SORI.[408] Ncvada Bell then provides the ordering carrier with a SOC notice via EDI, LEX or via facsimile, dcpcnding upon the interface used by the competitive carrier to submit the order.

1. Ncvada Bell provides service order completion notices to competing carriers in a nondiscriminatory manner

224. Measurc 18 (Average Completion Notice Interval) assesses how quickly Nevada Bell returns service order completion notices to CLECs. Performance for this measure is disaggregated for those completion notices that can be returned on a fully mechanized basis and thosc that must be manually processed before they are returned.[409] Nevada Bell consistently rcturns SOC notices to CLECs, which gives competitive providers critical information so that they have a meaningful opportunity to compete.[410] Moreover, Nevada Bell's performance does not falter when manual processes intervene. Between June and August, 2001, Nevada Bell

---

406 See Exhibit 140, Gleason/Johnson Direct. GSJ Attachment A.

407 Memorandum Opinion and Order. Application of BellSouth Corporation, BellSouth Telecommunications, Inc., and BellSouth Long Distance, Inc., for Provision of In-Region, InterLATA Service in Louisiana ¶ 130.

408 See Exhibit 120 Huston/Lawson Supplemental Direct ¶¶ 149 & 146-47.

409 See Exhibit 144, Johnson Supp. Rebuttal at 23.

410 As originally designed, the parameters for the sub-measures that assessed performance for the fully electronic processes did not account for the fallout of transactions thar can occur in thcsc processes. When a completion notice cannot process on a fully mechanized basis (though it is designed to do so), the resulting fallout must be manually handled io resolve the problem preventing flow through of the notice. In the 2000 PM review, the parties, which included the Staff, BCP, Nevada Bell and competitive providers, discovered this characteristic of PM 18.

A change was made to the measure io adcquaiely account for the fallout from the mechanized process. New sub-measures were added that assess Nevada Bell's processing the orders that fallout against a 24-hour standard. The data sets for the fully mechanized sub-niearurcs no longer include the fallout, which now is assessed separately Nevada Bell implemented these changes io PM 18 in May, 2001. In June, Nevada Bell enpcrienced fallout percentages greater than five percent for CLEO. and in July, Nevada Bell missed the benchmark lor LASR by just .03 percent See Exhibit 144, Johnson Supplemental Rebuttal at 24. In August, the benchmark was made for both interfaces But. when fallout did occur Nevada Bell met the 24-hour clear completion 100 percent of the time.

returned 100 percent of manual completion notices within the 24-hour benchmark.'" Finally, the California OSS Test and Ihe California Order confirni the adequacy of the Regional OSS. concluding that it is operationally ready *to* handle current and reasonably foreseeable demand.[412] Based upon the evidence of record in this proceeding, the Commission believes that Nevada Bell returns SOC notices to CLECs in a timely manner, providing CLECs with a meaningful opportunity to compete. Accordingly, the Commission believes the FCC should find that Nevada Bell satisfies this aspect of Checklist Item 2.

ii. Issues raised bv Staff. BCP. or competitive providers

225. Neither the Staff nor BCP made a recommendation about Nevada Bell's ordering systems, and thus did not question whether Nevada Bell consistently returned service order completion noticcs in a timely manner. Only one competitive provider, WorldCom, suggested that Nevada Bell did not provide service order completion notices in an acceptable manner. Mr. Vivien and Ms. Oliver stated Nevada Bell's performance measurement results indicated some SOC notices that should be returned on a fully electronic basis fell out of Nevada Bell's systems and required manual handling.

226. **As** Ms. Johnson explained *to* the Commission, WorldCom's example ofdisparate performance docs not provide a basis for concluding that Nevada **Bell's** ordering OSS do not give an efficient competitor a meaningful opportunity to compete. First, results for the fallout submeasure under PM 18 can identify issues with the completion notice process, but have no bearing on the efficiency of either the LEX or EDI ordering systems.[413] To the contrary, those performance results indicate that Nevada Bell's ordering systems are working efficiently, using the systems' robust editing capabilities to reject those orders that contain incomplete or inaccurate inforniation and therefore cannot result in an accurate electronic completion notice being delivered electronically to the CLEC.[414] This type of fallout most frequently occurs where

---

411 See Exhibit 144, Johnson Supplemental Rebuttal at 24

412 *See* California Order at 2 ("We hold that Pacific successfully passed the independent third-party test of its [OSS]")

413 See Exhibit 142, Johnson Rebuttal Public at 10

414 Id.

SORD cannot synchronize with data in LASR or CLEO, the two systems that process service order completion notices.[415] Such mismatches are often caused by errors on the LSR received from the CLEC.[416]

227. Moreover, while it is true that fallout levels exceeded the 5 percent benchmark for LASR in May and June, Nevada Bell has dedicated resources to reducing those mismatch conditions that it can control.[417] Nevada Bell's efforts have proven effective. In June. 2001. Nevada Bell did fail the benchmark for CLEO, and only (by .03 percent) missed the benchmark for LASR in July, 2001.[418] In August, 2001, Nevada Bell satisfied the benchmark established by the Commission for both CLEO and LASR.[419]

228. In addition, PM 18 tracks the timeliness with which Nevada Bell resolves those items that fall out from the fully electronic process to return a completion notice to competitive providers. Nevada Bell met the "95 percent within 24 hours" benchmark established by the Commission in the PM Collaborative Proceedings for both WorldCom and CLECs in aggregate, in May and June 2001.[420] Nevada Bell also cleared every mismatch and returned a FOC within 24 hours, 100 percent of the time, in July and August, 2001.[421] Finally, Pacific Bell's results provide further evidence that the Regional OSS ordering systems satisfy this aspect of compliance with the competitive checklist.[422] A review of the whole picture reveals that Nevada Bell satisfies this aspect of Checklist Item 2.

(D) Jeopardies

229. After a CLEC receives a FOC with a committed due date for installation of service to the end user, it is important for Nevada Bell to notify the CLEC if, for any reason,

See Exhibit 144, Johnson Supplemental Rebuttal at 24.

420 See Exhibit 142, Johnson Reburial-Public at 2.

421 See Exhibit 144. Johnson Supplemental Rebuttal at 24.

422 See Exhibit 144, Johnson Supplemental Rebuttal at 24.

service might not be installed on the due date.[423] A jeopardy notice informs the CLEC that Nevada Bell cannot meet the committed due date.[424]

1. Nevada Bell provides CLECs with timely jeopardy notification that a due date might be missed

230. PM 6 measures the average jeopardy notice interval.[425] Nevada Bell provides CLECs with the following types of jeopardy notices: (i) assignment jeopardy notices (jeopardies identified during the assignment process), (ii) installation jeopardy notices (jeopardies identified during installation and before the committed due time), and (iii) notification of missed commitments.[426] Nevada Bell returns each type of notice to CLECs in a timely fashion.[427] Pacific Bell's performance results for PM 6 are similar.[428] These PM 6 results for orders placed by CLECs in an actual commercial setting demonstrate that Nevada Bell's Regional OSS provides CLECs operating in Nevada (and California) a meaningful opportunity to compete.

231. PM 5 also provides information about jeopardies. PM 5, a parity measure, specifically assesses how frequently CLECs' service orders are placed in "jeopardy,"[429] allowing the Commission to determine if Nevada Bell places CLEC orders in jeopardy more often than its own retail orders. Nevada Bell placed less than 1 percent of competitive providers resale residential POTS orders in jeopardy between May and August, 2001.[430] During that same period, Nevada Bell placed less than 2 percent of CLECs' resale Centrex orders in jeopardy.[431] Nevada Bell's performance results for all types of UNE loops demonstrate not only that Nevada Bell places very few CLEC orders in jeopardy, but also that it places CLEC orders in jeopardy

---

423 BellSouth Second Louisiana Order ¶ 172

424 See Exhibit 140, Direct Testimony of Terry C. Gleason and Gwen S. Johnson and Draft Joint Affidavit: TCG/GSJ Attachment A at 28 (stating that PM 6 measures the "time remaining between the pre-existing committed order completion date and time (communicated via the FOC) and the date and time the ILEC issues a notice to the CLEC indicating an order is in jeopardy of missing the due date (or the due date/time has been missed).").

425 Id.

426 Id.

427 See Exhibit 144, Johnson Supplemental Reburial, GSJ Attachment K, PM 6.

428 See Exhibit 144, Johnson Supplemental Rebuttal, GSJ Attachment L, PM6. Pacific Bell only missed 6 submeasures one time between May and August 2001

429 See Exhibit 140, Gleason/Johnson Direct at ¶ 79

430 See Exhibit 144, Johnson Supplemental Reburial, GSJ Attachment K, PM 5, Submeasure 551900.

431 See Exhibit 144, Johnson Supplemental Rebuttal, GSJ Attachment K, PM 5, Submeasure 552200.

less often that it places its own retail orders in jeopardy.[432] Finally, Nevada Bell did not place a single CLEC DS1 and DS3 dedicated transport order, or a single interconnection order in jeopardy between May and August, 2001.[433]

232. These pcrfonnance results demonstrate that Necada Bell provides jeopardy notices (i.e., notices that a confirmed due date will be missed) to competing carriers in a nondiscriminatory manner. Therefore, the Commission believes the FCC should find that Nev ada Bell satisfies this element of the competitive checklist.

ii Issues raised by Staff, BCP, or competitive providers

233. The Staff, BCP and competitive providers did not raise any issues relating to .jeopardy notices.

(E) Flow-Through

234. A 271 applicant's flow-through rate can provide probative evidence of checklist compliance. **A** competing carrier's orders "flow-through" if they are submitted electronically and pass through the applicant's ordering OSS into the applicant's back office systems without manual intervention.[434] The FCC has looked to flow-through rates as a general indicator of the performance of a BOC's OSS.[435] In looking to flow-through rates as an indicator of OSS performance, the FCC has focused upon whether a 271 applicant's OSS are capable of flowing through a competitive provider's orders in substantially the same time and manner as its own orders.[436]

235. Flow-through, while important, is not the sole indicator of parity.'"[437] Other factors, such as the applicant's ability to return timely FOCs and rejection notices, accurately process manually handled orders, and to scale the systems, provide equally relevant and

---

[432] See Exhibit 144. Johnson Supplemenial Rebuttal, GSJ Attachment K, PM 5, Submeasures 552900, 553300. 553500 & 554100.

[433] See Exhibit 144, Johnson Supplemental Rebuttal, GSJ Attachment K, PM 5, Subnirasurrs 554700, 554800 & 556300.

[434] See SBC Texas Order ¶ 179 n. 484 (citing SBC Texas I Ham Affidavit at ¶ 125).

[435] See, e.g., Verizon Massachusetts Order, ¶ 77

[436] Verizon Massachusetts Order. ¶ 78.

[437] SBC Texas Order ¶ 179.

probative evidence that the applicant provides nondiscriminatory access to its ordering functions.'"[438] Furthermore, the FCC will not hold a 271 applicant accountable for orders that either are rejected or do not flow through due to competing carriers' mistakes.[439]

236. In light of all of the circumstances, it is clear that Nevada Bell's Regional OSS are capable of achieving high overall levels of order flow through. A careful review of the results of actual commercial transactions between CLECs and Nevada Bell indicate that competitive providers achieved flow through rates as high as 83 percent. Additionally, Nevada Bell's flow through rates are similar to Pacific Bell's, and the California Test and the California Order both confirm that an efficient carrier can achieve high flow through rates.

I. Nevada Bell's flow-through rate demonstrates that CLECs have a meaningful opportunity to compete

237. Measure 4 (Percentage of Flow-Through Orders) tracks the percentage of orders that are received through an electronic interface from CLECs and are processed automatically through to tlie Regional SORD system.[440] Nevada Bell has implemented flow-through capability for many service order types.

238. Though PM **4** is diagnostic, perfomiance results reflecting actual commercial transactions demonstrate that efficient carriers can achieve a relatively high level of flow through.[441] Between June and August, 2001, Nevada Bell had flow-through rates between 20 and 83 percent for flow through eligible orders, for new basic UNE Loops and new xDSL UNE Loops.[442] Similarly, Pacific Bell. for flow through eligible orders for new basic UNE Loops, new xDSL UNE Loops and UNE Platform migrations (received through the LEX and EDI interfaces), had flow-through rates ranging from 22 to 75 percent in the same period.[443] For

438 Id. ¶ 179.
439 Id. ¶ 179.
440 See Exhibit 140, Gleason/Johnson Direct, TCG/GSJ Attachment A at 141
441 See Exhibit 144, Johnson Supplemental Rebuttal at 25.
442 Id.
443 Id.

rcsidcntial resale orders of all types. flowthrough rates range between zero and 100 percent for Nevada Bell and are between 66 to 99 percent for Pacific Bell.[444]

239. However, these results do not truly reflect the flow-through capabilities of tlie Regional OSS for at least three reasons. First, Nevada Bell's (and Pacific Bell's) perforniance results "do not back out orders that do not flow-through for CLEC caused reasons, such as a missing or incomplete apartment number."[445] Second, PM 4's business rules requires Nevada Bell to include in performance results certain electronically received orders that are not programmed to flow through."[446] The business rule requires Nevada Bell to include orders where the service group type and order *type* are flow through eligible, but a feature(s) on the order restricts the ordcr from being automatically handled. In other words, the business rule requires Nevada Bell to report orders that "fall out" (thereby reducing the flow through percentage) even when such orders arc not flow through eligible.[447] Nevada Bell's performance measurement plan differs in this respect from other SBC performance measurement plans.[448] Nevada Bell and Pacific Bell's flow through performance would be significantly higher if only the orders that were completely flow-through eligible were included."[449]

240. Third, and most important, examining aggreyatc results can hide the fact that CLECs who usually have higher volumes of senicc requests also have experienced higher flow through rates than the results rcporled for the CLECs in the aggregate.[450] Because competing carriers interface with the Regional OSS using the same systems, a wide range of flow through rates strongly implies the competitors, rather than the 271 applicant, are responsible for any

---

444 Id.

445 See Exhibit 144, Johnson Supplemental Rebuttal at 25 n 49.

446 Id.

447 For example, a migration order for resale of a business line will normally flow through. However, if rhe hunting feature is added to rhe order, the order will fall out for manual processing by design. Nevertheless, this order would he counted in the denominator because the service type and order type generally flow through.

448 SBC's Texas performance results, Tor example, excluded from the flow-through calculation those orders that are not designed to flow through See SBC Texas Order ¶ 180 ("In other words, over 96 percent of EDI orders that are designed to flow through, and that are not rejected, arc processed through the ordering systems without manual intervention.").

449 See Exhibit 144, Johnson Supplemental Rebuttal at 25 n. 49.

450 Id.

"poor" flow-through performance.[451] Those carriers that process the most orders have achieved higher flow through rates, which demonstrates that the Regional OSS is capable of flowing through orders placed by CLECs in substantially the same time and manner as Nevada Bell's orders."[452]

241. Finally, the California Test and the California Order both confirm that conclusion. During the two third-party ordering tests conducted on the Regional OSS, over 97 percent of orders flowed through during the first test. During the second test, over 93 percent of orders flowed through Recognizing this, the California Commission rejected the CLECs' request to retest the systems' flow-through capabilities.[453]

> While it is not possible to detect from looking at an order whether it flowed through or was manually processed, there was a general test guideline. Receipt of an order FOC within the Performance Measure # 2 benchmark of 20 minutes, absent errors from the time of LSR issuance until the time of FOC receipt, indicated that the mechanized LSR had flowed through without human intervention.
>
> During the Capacity phase of the OSS test, CGE&Y recorded tens of thousands of flow-through orders. Using the 20-minute response time for FOC flow-through, it is highly unlikely that there was any significant unperceived manual intervention of orders passing through Pacific's OSS system. Therefore, we find CGE&Y acted reasonably in its flow-through assessment during the test. and see no need for retesting this aspect.'"[454]

Accordingly, the Commission believes the FCC should find that Nevada Bell satisfies this element of the Competitive Checklist

ii. Issues raised by Staff. BCP, or competitive providers

242. The Staff witness Dr. Otsuka testified that Nevada Bell's flow-through rates were relatively low and suffered from small sample sizes."[455] WorldCom witnesses Mr. Vivien and Ms. Oliver also raised concerns about the "performance efficiency of Nevada Bell's systems."

---

451 See Bell Atlantic New York Order ¶¶ 166-67 & 181

452 See, e.g., Verizon Massachuseus Order ¶ 78.

453 California Order at 89.

454 Id.

455 See Exhibit 152, Otsuka Phase II-B Direct at 17

testifying, that based upon their review of WorldCom performance results for March through June, 2001, flow through rates were low.[456]

243. However, it appears that Dr. Otsuka's and WorldCom's critique of Nevada Bell's flow through rates did not take into account the construction of PM 4. PM 4 actually measures two aspects of flow through.[457] The first is an assessment of the percentage of service group/order types that are programmed to flow through: but that assessment does not make exceptions for orders that contain service features, such as hunting, that cannot be processed electronically but instead require manual handling.[458] Because exceptions are not made for those features that require manual Intervention, it is unlikely that submeasurements for service group/order types would ever achieve extremely high levels of flow through.[459] PM 4 also asscsscs the percentage of orders received electronically that are processed on a flow through basis, regardless of whether the orders were prograrnmcd for flow, through.[460] These results obviously would never be high.[461]

244. Moreover, as Stephen Huston and Beth Lawson explained in their rebuttal testimony, the California Test thoroughly and completely tested the flow through capabilities of the Regional OSS. The California Test Master Plan required the Test Administrator to track (but not measure) flow through during the test.[462] Although the TA and the TG did not calculate flow through rates for either the capacity or stress tests, they did provide the raw data in their final report and documentation.[463] The flow through rate during the capacity test was 97.3 percent.[464] During the second test. the capacity stress test, the flow through rate was 93.5 percent.[465] Those rates, while extremely high, even include orders that were deliberately designed to fall out for

---

456 See Exhibit 146, Vivien/Oliver Direct at 11

457 See Exhibit 142, Johnson Rebuttal-Public at 9.

458 Id.

459 Exhibit 142 ai 10

460

461 Id.

462 See Exhibit 121. Rebuttal Testimony of Stephen D. Huston and Beth Lawson at 12 ("Huston/Lawson Rebuttal").

463 Id.

464 Id. at 12-13.

465 Id., Exhibit 121 at 12

manual processing.[466] This evidence clearly demonstrates that an efficient CLEC can achieve high flow through rates. The fact that some CLECs do not, however, docs not justify a finding of noncompliance.[467]

245. Finally, when orders fall out of the Regional OSS, Nevada Bell promptly processes those orders accurately. Between June and August, 2001, Nevada Bell retumcd 100 percent of electronically received. manually returned FOCs within the benchmark standards agreed lo by thc Staff, the BCP, and competitive providers. and approved by the Commission in the PM collaborative proceedings.[468] For example, in May. June, July, and August of 2001. Nevada Bell returned a FOC on 21, 59, 35 and 67 orders for an xDSL capable loop in an average of 1.91, 2.84, 2.33 and 2.98 hours, well within 6-hour benchmark.[469] Similarly, in May, June, July, and August, 2001, Nevada Bell returned a FOC on 44, 28, 25 and 10 UNE basic loop orders in 1.66, 1.66, 1.76, 1.95, and 1.56 hours, also well within 6-hour benchmark.[470]

246. Flow-through, while important. is not the sole indicator of parity.[471] The applicant's ability to return timely FOCs and reject notices, and accurately process manually handled orders, provide equally relevant and probative evidence that the applicant provides nondiscriminatory access to its ordering functions.[472] In light of all of the circumstances, it is clear that Nevada Bell's Regional OSS are capable of achieving high overall levels of order flow through. For this reason, the Commission believes that the FCC should conclude that Nevada Bell has satisfied this component of the Competitive Checklist.

//

//

---

466 Attachment B io Exhibit 121, Huston Lawson Rebuttal Attachment B at 9 n. 30.

467 *See* SBC Kansas/Oklahoma Order ¶¶ 143 & 146 (stating that the FCC will not hold a BOC accountable for rejected orders and orders that fail to flow through for reasons within the control of CLECs); SBC Texas Order ¶ 176 (accnrd); Bell Atlantic New York Order ¶ 175 (accord): BellSouth Second Louisiana Order ¶¶ 111-12 (accnrd).

468 See Exhibit 144, Johnson Supplemental Rebuttal at 19.

469 See Exhibit 144, Johnson Supplemental Rebuttal at 19.; Attachment GSJ K (PM 2, Sub-measures 203900 and 213900).

470 See Exhibit 144. Johnson Supplemental Rebuttal at 19 ; Attachment GSJ K (PM 2 Sub-measure 203601 & 213601).

471 SBC Texas Order ¶ 179

472 Id. ¶ 179.

c. Provisioning

(1) Overview

247. Nevada Bell has demonstrated that it provisions UNEs for CLECs in substantially the same time and manner as it provisions orders for its own retail customers.

(2) Standard

248. Under Checklist Item 2 the FCC will evaluate whether Nevada Bell provisions CLEC customers' orders for resale and UNE-Platform ("UNE-P") services in substantially the same time and manner as it provisions orders for its own retail customers.[473] To make this determination the FCC will first examine the procedures that Nevada Bell follows when provisioning competitors' orders.[474] After examining those procedures, the FCC will evaluate Nevada Bell's performance with respect to provisioning timeliness (i.e., missed due dates and average installation intervals) and provisioning quality (i.e., service problems experienced at the provisioning stage).[475]

249. We analyze many provisioning issues under their respective checklist items. For example, we evaluate Nevada Bell's provision of UNE loops under Checklist Item 4. Under Checklist Item 14, we evaluate Nevada Bell's provisioning of resale products, including POTs and specials. In the section that follows, we evaluate the Regional OSS provisioning of UNE platforms.

(3) Analysis

(A) Provisioning Process

250. Nevada Bell's provisioning processes do not discriminate between wholesale and retail orders. Once service orders are created, and the provisioning process begins, there is parity with the provisioning for Nevada Bell's retail orders.[476] The identical legacy systems used to

---

473 See SBC Texas Order ¶ 194; SBC Kansas/Oklahoma Order ¶ 154

474 See id.

475 See id.

476 Exhibit 120, Huston/Lawson Supplemental Direct ¶ 108.

provision Nevada Bell orders are also used to provision CLEC orders."' Once a wholesale order reaches these back office (legacy) systems, it is processed in a nondiscriminatory manner with retail orders.[478]

(B) Provisioning Timeliness and Quality

251. .Although Nevada Bell had less than a dozen UNE-P products in service, Pacific Bell had over 68,000 in service as of August, 2001. Nevada Bell and Pacific Bell's UNE-P provisioning processes are the same. Accordingly, Pacific Bell's PM results provide probative evidence of the timeliness and quality of Nevada Bell's provisioning processes. Between June and August. 2001, Pacific Bell did not miss a single provisioning submeasure for the UNE-P product. Less than one-half of one percent of orders were placed in jeopardy,[479] installation intervals wcrc less than one-half day,[480] and missed due dates reported under PM 11 resulted lo zero percent.[481] CLEC customers also experienced installation troubles less often that Nevada Bell's customers. During the June to August 2001 time frame, installation troubles tracked under PM I7 were about one-half percent of one percent of new orders."' This evidence substantiates and corroborates the California PUC's conclusion that the Regional OSS satisfies the requirements of Checklist Item 2.[483]

d. Maintenance and repair

(1) Overview

252. Nevada Bell has demonstrated that it provides nondiscriminatory access to maintenance and repair functions in compliance with the requirements of the Act. First, Nevada Bell has dcployed the necessary interfaces. systems, and personnel to enable requesting carriers to access the same niaintenance and repair functions that the Company provides to itself. Second, the Regional OSS allows CLECs to access maintenance and repair functions in

---

477 Id.
478 Id.
479 See Exhibit 144, Johnson Supplemental Rebuttal at 47
480 Id.
481 Id.
482 Id.
483 California Order at 2.

substantially the same time and manner as Nevada Bell's retail operations. Third, Nevada Bell restores service to customers of competing carriers in substantially the same time and manner as it restores service to its own customers. Fourth, Nevada Bell performs maintenance and repair work for customers of competing carriers at substantially the same level of quality that it provides to its own customers.

(2) Standard

253. CLECs that provide service through resale or unbundled network elements (including the UNE-Platform) remain dependent upon Nevada Bell for maintenance and repair. Consequently, as part of its obligation to provide nondiscriminatory access to OSS functions, Nevada Bell must provide requesting carriers with nondiscriminatory access to its maintenance and repair systems.[484] To the extent Nevada Bell performs analogous maintenance and repair functions for its retail operations, it must provide competing carriers access that enables them to perform maintenance and repair functions "in substantially the same time and manner" as the maintenance and repair services that Nevada Bell provides its retail customers.'[485]

254. Nondiscriminatory or equivalent access ensures that CLECs can assist customers experiencing service disruptions using the same network information and diagnostic tools that are available lo Nevada Bell personnel.'[486] Without equivalent access, CLECs could be placed at a competitive disadvantage because their customer might view a problem with Nevada Bell's network as oiic with the competing carrier's own network.[487]

//

//

//

//

//

---

484 Bell Atlantic New York Order, ¶ 212; Second BellSouth Louisiana Order, 13 FCC Rcd at 20692; Ameritech Michigan Order, 12 FCC Rcd at 20613, 20660-61

485 Bell Atlantic New York Order ¶ 212; see also Second BellSouth Louisiana Order, 13 FCC Rcd at 20692-93

486 Bell Atlantic New York Order, ¶ 212

487 See id

(3) Analysis

(A) Nevada Bell has deployed the interfaces, systems and personnel necessary to afford CLECs nondiscriminatory access to maintenance and repair functions

255. While Nevada Bell need not provide an application-to-application interface for accessing maintenance and repair functions,[488] the Company nevertheless developed such an interface to encourage the development of competition. Electronic Bonding Trouble Administration ("EBTA") is an application-to-application interface developed to incorporate national standards based upon ANSI T1M1.227/228 for trouble reporting and obtaining repair status updates.'") EBTA allows CLECs to submit trouble reports and receive status and closure information."" With EBTA, competitive providers have the opportunity to integrate information into its own back office systems in the same manner that Nevada Bell has integrated its side of EBTA into the Company's back office systems."" EBTA provides CLECs with equivalent access to Nevada Bell's maintcnance and repair function.

256. The Regional OSS also provides CLECs a third electronic option for access maintenance and repair functions. Toolbar Trouble Administration ("TBTA") is a graphical user interfacc similar to PBSM that CLECs can use to initiate and receive MLT test results for resold POTS lines and POTS-like UNE combinations (e.g., UNE platform). CLECs also may use TBTA to initiate DC and AC tests. as well as receive trouble history reports for such lines. While TBTA is an SBC proprietary interface, it uses many industry standard fields and definitions. TBTA, unlike PBSM, provides requesting carriers an electronic interface for certain special services.

257. In addition to TBTA and EBTA. requesting carriers may submit trouble reports directly to the Local Operations Center ("LOC").[492] Both retail and wholesale POTS trouble

---

488 See Bell Atlantic New York Order ¶ 215

489 See Exhibit 120, Ham Affidavit ¶ 168.

490 Id.

491 Id.

492 The mission of the LOC is to ensure that CLECs receive maintenance and repair services in the same time and manner as those provided to Nevada Bell's retail customers. Exhibit 128, Adoption and Supplemental Direct Testimony of David R. Smith and Draft Affidavit of Sam M. Tenerelli, at 27 ("Smith Direct") As of July 2000, the